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THE WEATHER

Forecast: Partly cloudy to fair.

	Yesterday's Humidity	Yesterday's Min-Max	Today's Max
Jerusalem	30	10-19	20
Golan	21	8-20	21
Nahariya	40	11-24	24
Safed	30	11-17	19
Haifa Port	50	14-20	20
Tiberias	41	12-26	27
Nasareth	38	12-24	25
Afula	28	8-25	26
Shomron	23	12-20	21
Tel Aviv	44	14-23	24
B-G Airport	27	11-23	25
Jericho	32	12-29	30
Gaza	63	14-23	24
Beerseba	29	13-24	24
Eilat	28	18-28	28
Tiran Straits	33	18-26	27

SOCIAL & PERSONAL

"Autopsy — A Dialogue on Contemporary Halacha" will be discussed this evening (in English) at the Hebrew University Forum, by Rabbi Theodore Friedman and Rabbi Mendel Lewittes. The meeting will be at 8 o'clock at the United Synagogue Centre, 2 Agran, Jerusalem.

ARRIVALS

For the board of governors' meeting of the Haifa University: from the U.S. — Mr. and Mrs. Louis Golden, Ms. Heidi Brachmann, Dr. Aryeh Neuber, David Perry, Nathan Ansell, Prof. and Mrs. Wilbur Cohen, Mr. and Mrs. Darwin Huxley, Kenneth Blalock, Mr. and Mrs. Loren Baritz, Chancellor Albert Bowker, Sol Seider, Sigmond Strohli, from Canada — J.C. Horvitz, from England — Lord and Lady Kline, Prof. Max Beloff, and Prof. Sam Finer.

The San Francisco USA Mission. (Communicated)

USA missions from Pittsburgh, Canton/Milwaukee, North Shore, St. Louis, Memphis/Cincinnati. (Communicated)

Blumenthal to Rome

RIYADH (UPI). — U.S. Treasury Secretary Michael Blumenthal yesterday wound up a swing through key Middle East oil states and Israel and left for stays in Italy and West Germany.

Blumenthal left for Rome after talks with Saudi leaders aimed at reassuring the region's largest oil producer of the strength of the U.S. dollar and at heading off possible oil price hikes, diplomatic sources said. Blumenthal carried a similar message to Kuwait and Iran, the sources said.

HAGA (Civil Defence) exercises will be held today in the Krayat Malachi and Arad areas. In the event of a real emergency, rising-and-falling sirens will be sounded.

Chagall, Wilson get honorary degrees

REHOVOT. — Artist Marc Chagall and former British prime minister Harold Wilson were yesterday awarded honorary doctorates at the Weizmann Institute here.

Chagall, whose sparkling eyes, vibrant step and firm voice made it hard to believe that he is past 90, said he did not know why the Weizmann Institute had chosen to honour him. "All my life," he explained, "I just painted poor Jews looking for a place to live in peace. Now these poor Jews have finally come here and built this country with their own hands."

Sir Harold assured the audience at the ceremony — including President Ephraim Katzir and former prime minister Golda Meir — that "in this period of great strain and anxiety for Israel, you may rest assured that your friends in other countries will do all in their power to ensure that you enjoy peace and stability."

Also present at the colourful ceremony were British Ambassador John Mason, Agriculture Minister Ariel Sharon, former foreign minister Abba Eban, and a host of distinguished scientists including Nobel laureates Christian Anfinsen, Felix Bloch, Sir Ernst Chain and Andre Lwoff.

Begin presents new cabinet to President

Jerusalem Post Reporter

Ministers Yosef Burg and Yitzhak Moda'i were abroad and David Levy was stranded in the Jordan Valley with car trouble. But Prime Minister Menachem Begin nevertheless presented most of his expanded cabinet to President Ephraim Katzir at Beit Hanassi yesterday morning.

The new cabinet includes four ministers from the Democratic Movement for Change which recently joined the coalition.

Deputy Prime Minister Yigael Yadin noted at the ceremony that he was "pleased" that the DMC ministers were able to take part in the cabinet's decision that approved the new economic policy on Friday.

Labour chooses Ben-Natan to run for T.A. mayor

TEL AVIV (Him). — Asher Ben-Natan was unanimously chosen Labour's candidate for mayor of Tel Aviv in the upcoming elections by the council of the local Labour Party branch, yesterday.

The meeting was opened by Eliahu Speiser, secretary of the Tel Aviv branch, who expressed opposition to the government's new economic policy and said Labour's economists do not believe that the plan will attract new investors.

The meeting was attended by a delegation of Social-Democrats from West Germany. One of its members, Bundestag president Annemarie Renger, recommended the nomination of Ben-Natan, with whom she is acquainted from the time that he served as Israel's ambassador in Bonn.

Ehrlich again promises amnesty for tax evaders

By SELOMO MAOZ
Jerusalem Post Reporter

Finance Minister Simcha Ehrlich again told a group of newspaper reporters yesterday that he intends to prepare, within a reasonable time, an amnesty for income tax evaders.

At his Friday press conference, in which he announced the government's new economic policy, he mentioned that Israelis are estimated to hold illicit balances of \$5b. abroad. He did not elaborate or disclose the basis for his estimate, but economists in Jerusalem pointed out that most of these balances must represent black capital — the product of income-tax evasion.

Ehrlich said yesterday that "all we have promised before the elections, we shall implement."

The commissioner of state revenue, Moshe Neudorfer, told newsmen that capital movements in and out of Israel are not within the jurisdiction of his department — they are a matter for the now practically defunct foreign currency division — and that anyone ready to declare his capital will not be asked for its source. The tax authorities will only collect whatever taxes are due under law, he said.

According to earlier reports, the Treasury planned to give income-tax evaders a chance to come clean at the price of a 30 per cent tax on the black money. This compares with a top marginal tax of 50 per cent on incomes from IL12,800 per month up, which makes even medium-income earners pay an average tax of about 50 per cent. The amnesty, originally opposed by tax officials, including Neudorfer, was later accepted by the officials.

Economists in Jerusalem pointed out, however, that owners of illicit foreign bank balances will have no difficulty bringing in their money, if they so decide, without paying any tax or declaring it as black capital. Having been clever enough to smuggle it out, they will easily find ways to bring it in as legitimate foreign investments — probably also enjoying the investment grants and loans to which they would be entitled, they said.

A source told The Jerusalem Post that owners of black capital within Israel will also find little difficulty in getting around the amnesty. "They will now be able to buy freely and legally any amount of foreign currency (as the \$3,000 limit per person will mean little) and then repatriate it, if they find it worth while, as a legitimate foreign investment," the source said.

The controller of foreign currency, Dov Kantorovitz, also said yesterday that his division was not a police department and could not keep track of all movements of foreign currency.

Stock exchange reopens tomorrow

Jerusalem Post Reporter

TEL AVIV. — Investors wishing to buy stocks and bonds in foreign currency must now acquire the currency on the free market, the Tel Aviv Stock Exchange announced yesterday.

The exchange also announced that there would be no limits on price fluctuations on regular stocks and bonds when the exchange opens tomorrow. Ordinarily, stocks can fluctuate by only 5 per cent and bonds by 3 per cent.

However, investors who do not want to play a "no limits" game on the stock market can stipulate to the brokers that they do not want to buy or sell if the price rises or falls more than a certain percentage, or a certain number of points.

The exchange will open tomorrow after a two-day recess to allow buyers and sellers to readjust their orders following the introduction of the new economic measures.

IMPROVEMENT IN TRADE GAP

(Continued from page one)

recommends that aid for Israel in fiscal 1978 (which begins in October 1978) be \$1.5b., as in 1978. Of this, \$800m. would be economic, non-defence aid.

There are, however, expectations that President Carter may recommend an increase of the total aid package by \$200m., mainly because of domestic American political considerations.

Former finance minister Yehoshua Rabinovitch said yesterday in reply to questions that the improvement in the balance of payments now fully disclosed was clearly the result of his policies.

A senior Treasury official told The Post yesterday that the improvement in Israel's payments position, together with the new policy, gives hope that by 1980/81 Israel will no longer need civilian economic assistance from the U.S.

Treasury officials conceded that the balance-of-trade improvement this year will only be attributable, in part, to the new economic policy if the improvement significantly exceeds the \$700m. mark.

Some government economists, however, began to question whether the drastic devaluation had been necessary, given the progress already made — particularly since exports stand to benefit little, if at all, and the main beneficiaries will be owners of foreign currency and recipients of unrequited transfer payments.

Finance Minister Simcha Ehrlich said yesterday in reply to a question that he was glad to hear the news about the new data. But newsmen were sceptical about what Ehrlich really knew and what he chose not to reveal.

Public goes on shopping spree

(Continued from page one)

visited this supermarket's storerooms and checked inventories. After that workers removed the checked stocks which were then sold at the new prices.

Some merchants, however, just decided to take a day off and await developments. Here and there along Jerusalem's main shopping streets stores were shut and signs on the door read, "Closed for Inventory."

The secretary of the Jerusalem Merchants Association told The Post last night that as far as he knew clothing and shoe shops were selling merchandise at the old prices yesterday. Some electrical goods outlets, however, had added "about 10 per cent" to the price of imported goods, he said.

An Him reporter who toured the Old City found about half the Arab money exchange shops there shut. Even those that were open were not doing business, their operators claiming they had no foreign currency to sell. On Saturday, the rate for one dollar reportedly ranged from IL10.50 to IL11.50.

In Tel Aviv, the Chamber of Commerce asked merchants at mid-morning to halt the sale of imported goods to protect the Treasury's decision to tax existing stocks. The chamber said this was unfair as it penalizes merchants who paid for their goods with pounds which were worth more at the time of purchase. Some small appliance stores heeded this call and closed down. But many merchants went on selling and realized handsome profits even at the old prices. One electrical appliance dealer in Ibn Gabirol said: "The prices charged now are not really the old prices, because all the discounts we previously granted almost automatically were cancelled. Besides," he added, "many shoppers who rushed out to the stores today really have no idea what the old prices were. They may end up paying much more than they would have last week because they are not shopping selectively and are not taking the time to do a little basic research."

A salesman in another store noted that the new economic measures came at the end of the month, "when people say they are strapped for cash. Yet each time there is a devaluation, people seem to have enough money to squander."

The various consumer organizations were besieged with complaints from irate shoppers yesterday. Most complaints were about unwarranted hikes. Some complaints were justified, but others stemmed from misunderstandings.

It was announced that merchants were within their rights if they raised the prices of basic commodities from the old stock, since the stock would be taxed.

The director of the Consumer Council, Maya Tavori, yesterday called on the public not to engage in compulsive shopping and to postpone unnecessary purchases until prices stabilize.

Young: Soviets may give A-bombs to black Africans

NEW YORK (Reuters). — Andrew Young, outspoken U.S. ambassador to the UN, believes the Soviet Union might be tempted to supply South Africa's neighbours with nuclear arms if the white-ruled state exploded a nuclear device of its own.

Speaking in a pre-taped television interview broadcast yesterday, Young said a South African nuclear blast would prompt a number of its neighbours to begin immediately to seek nuclear weapons from anywhere they could.

He said he thought "it's reasonable to assume that they could get nuclear weapons much more sophisticated than those that South Africa can build. And they wouldn't get them from us necessarily."

Asked if he meant that the Soviet Union would provide nuclear arms to such neighbours of South Africa as Mozambique and Angola, he replied: "I think they'd be awfully tempted."

(Pretoria — Page 4)

Raphael Harlev yesterday assumed his duties as El Al's deputy manager in charge of operations. He was appointed Thursday by the company's board of directors. Tat-Aluf (res.) Harlev will be responsible for El Al's passenger service, maintenance and engineering.

Airlines selling tickets at IL15 to the \$

Jerusalem Post Staff

The airlines serving Israel decided yesterday to sell tickets at the rate of IL15 to the dollar, plus 12 per cent Value Added Tax, pending tomorrow's official announcement of the new exchange rate. Thereafter the price will be in accord with the rate of exchange prevailing in the market.

The decision was made at a meeting of the airlines chaired by Yehuda Shimon, head of El Al's Israel branch. El Al had already been selling tickets at that rate since yesterday.

The airlines also announced that tickets bought up to last Friday at the old rates will be honoured, provided their holders leave by midnight tonight. Anyone set to depart later will have to make up the difference in Israel pounds.

Meanwhile, the international airlines, El Al, and Israel's travel agents have demanded that the government cancel the Value Added Tax which has been imposed on airline tickets. There are so many ways of evading VAT that its imposition will only encourage Israelis to buy their tickets outside the country, according to Yosef Weiss, chairman of the Israel Travel Agents Association.

The decision to call for cancellation of the tax on airline tickets was taken at meetings of the travel agents and the IATA-member airlines serving Israel. Numerous people raised the point that Israelis will now either ask a friend or relative to buy the ticket abroad for them and send it here, or will fly to a nearby destination where they will purchase the ticket for their final destination. This will constitute a sizeable saving on long-distance trips.

Weiss noted that in European countries which have VAT, it has not been applied to international airline tickets — only to domestic flights.

Finance Minister Simcha Ehrlich said yesterday that although it is possible to fly to Cyprus and then purchase a ticket onwards, he believed most travellers would prefer to fly El Al because of the safety factor.

The minister added that he would try to find a way to plug the loopholes through which people can avoid paying VAT on their tickets. He was not yet certain quite how this could be done.

Despite the abolition of the old travel tax — which was a flat IL1,000 plus 15 per cent of the value of the ticket — the new floating exchange rate and imposition of VAT means the cost of airline tickets will rise considerably for Israelis.

On the new basis of IL15 to the dollar, a regular full-fare ticket to New York is up from IL 750 to IL2,000. The excursion will be IL1,450, compared to IL 650 before.

The round-trip fare to London is IL1,300, compared to IL1,000 before. The group fare is up from IL 650 to IL 850.

The return full fare to Paris is IL1,500, compared to IL1,000 before, and the group fare is IL 850, compared to IL 650.

The immediate prospects that Israel will become a cheap country for foreign tourists — so as inflation does not catch up with the devaluation, and can be below 20 per cent, according to Association chairman Yehe Talmor.

But prices for Israelis probably shoot up by some 20 per cent, and this is causing serious concern among hoteliers who customers are mostly Israeli.

There has been a decline over past years in the number of Israelis going on holiday within Israel. Increase in prices could have very serious results for smaller, three-, two- and one-hotels.

Tourists — beware of adjusted hotel bills

Jerusalem Post Staff

The Diplomat Hotel, rated at five stars, yesterday sent a letter to all its guests asking them to settle their outstanding accounts no later than nine o'clock this morning — otherwise they will be charged "according to the difference in the rate of exchange (40-50%) on the total outstanding amount" of their bill.

This means that the accounts of tourists could be jacked up by 40-50 per cent on the meals they had a week ago or the telephone calls they made two days ago at the old rates, which will remain unchanged.

Yehoshua Shapiro, manager of Diplomat, confirmed the letter. But he said tourists paying in Israel pounds would have had to pay a 28 per cent tax on their bills, and this has been abolished.

According to Yoram Belizovsky, assistant director-general for tourism in the Ministry of Industry, Commerce and Tourism, hotels have no right to charge their guests more on outstanding accounts. They may collect the account, if paid in Israel pounds, at the old rates and no more. Charges for expenditures quoted in Israel pounds may not be raised for purposes of conversion into dollars. Thus meals, telephone calls, laundry charges, etc., if not originally quoted in dollars, will have to be calculated at the old rate of exchange.

Shapiro said the Diplomat was only following the guidelines of the Hotel Association.

The president of the association is Haim Schiff, owner of the Diplomat Hotel, and others.

Here and there Dollar to trade at over IL15

Jerusalem Post Staff

According to well-informed financial sources, when the banks open their doors for business today the price of the dollar will be IL15.30-IL15.50 for transactions of up to \$3,000. At noon, the representatives of the country's major banks will meet and will fix a price according to supply and demand.

The Bank of Israel announced that it has prepared large amounts of various foreign currencies in cash and is ready to supply the needs of the commercial banks.

Special information bureaux run by the Treasury started operating yesterday morning in Jerusalem to answer citizens' questions on foreign currency transactions, customs payments and other problems arising from the new economic policy. Telephone inquiries about foreign currency can be made on lines 02-68490 and 02-68241; and about customs, on 02-245515-7.

The chambers of commerce, which met in Tel Aviv yesterday, decided to set up an emergency "action committee" to decide how to avoid paying the levy imposed on stocks. They announced they would not file reports on stocks to the authorities, but only to their local chambers of commerce, awaiting further action. They are also considering an appeal to the Supreme Court for an order nisi calling on the government to show why they should submit inventory statements.

The Bank of Israel will today sell any amount of new government bonds, linked to 80 per cent of the index and carrying a 5.5 per cent net interest. The bonds being sold today are still based on the October consumer price index; those which will be sold from tomorrow will be linked to the November index.

The IL124b. current budget will be increased to IL133b, to reflect the changes resulting from the new economic policy. Government departments will have to absorb most of the domestic cost increases, but the rise in the price of imports will have to be taken into account.

The Ministry of Education has already announced that it will absorb higher costs. Education Minister Ze'evulun Hammer said that tuition fees, including the cost of school meals and the buying of pupils, will not be raised.

UJA chairman lauds reform

Jerusalem Post Correspondent

NEW YORK. — The head of America's primary Jewish fundraising body yesterday welcomed Israel's move towards a free economy as "a good, positive move."

UJA general chairman Leonard Streititz looked forward to accelerated investment in Israel and to a possible increase in American aliyah as a result of the new climate of economic liberalization.

Streititz assumed the leadership of the UJA in June. His reaction appeared to reflect a generally favourable response in the community to Jerusalem's change of economic direction.

"Americans, including American Jews, are a product of the free-enterprise system," said Streititz in a telephone interview from his home in Norfolk, Virginia. "Therefore, when a country such as Israel changes from a socialist economic stance into a more democratic, free economy, they're sympathetic," he said.

Haifa man jailed for fatal stabbing of neighbour

HAIFA (Him). — A local man sentenced to nine years in prison for the District Court here yesterday for stabbing his neighbour to death in a scuffle last March.

Ya'acov Tobol, 22, got into an argument with his neighbour, Yehu Cohen, in Haifa's Naveh Sha'ar quarter on March 31 this year. A argument rapidly deteriorated into a scuffle, and Tobol returned to his apartment to fetch a combat knife. When he returned, he stabbed Cohen five times.

The court ruled that the accused had failed to prove his charge premeditated murder and convicted Tobol of the lesser charge manslaughter. The judges noted it had not been shown that the cused had actually intended to kill his victim when he stabbed him.

Judges Ze'evulun Hammar and D. Hermon concurred in handing the nine-year prison term; but Ju Avraham Friedman, in a dissent decision, called for a 12-year sentence.

WIZO has announced an amateur photography contest in honour of Israel's 30th Independence Day, the subject of "The Quality of Life and of the Environment..." The exhibition of the winning photograph will open in Beit Wizo in Tel Aviv-December 12. The last date for entering photographs is the contest December 1.

The Tel Aviv Stock Exchange Ltd.

NOTICE

1. Trading on the Stock Exchange will be resumed on Tuesday, November 1, 1977.
2. The prices of securities traded on the Stock Exchange will not be subject to any restriction on Tuesday, November 1. Buyers and sellers are reminded that they may make their orders subject to price limits.
3. Debentures linked to the dollar and debentures traded in foreign currency will be dealt with at 12 noon on Tuesday, November 1. Buying and selling orders for these securities will be accepted until 11 a.m.

Tel Aviv October 31, 1977

With deep sorrow, we announce the passing of

ADOLF FELSENSTEIN ז"ל

The funeral will take place today, October 31, 1977, leaving Rambam Hospital, at 11.15 a.m., for the new cemetery, Kfar Samir. A bus will leave at 10.30 a.m. from 10 Smolenskii Street, Ahuva.

His Wife, Greet
His Sons and Families
His Sister

October 30, 1977.

In deep sorrow, we announce the death of my husband, our father, brother and uncle

ALTER NEUSTEIN ז"ל

(New York)

Joshua Neustein, Jerusalem
Fanny, Simon, Rachel and David Neustein, New York
and the Shitzer, Malrowitz and Feder Families, Israel

Rubin Academy of Music mourns the death after distressing illness of

EITAN SEVER
and his wife **YULIA SEVER**

The funeral will take place today, Monday, October 31, 1977, leaving at 12 noon from the Sanhedria Funeral Parlour, Jerusalem.

On the second yearzeit of his passing, we cherish the memory of my beloved husband, our father, father-in-law and grandfather

MAURITZ KURZ

(of Scheveningen, Holland)

19 Heshvan 5738 The Family

Friends and those who cherish the memory of

FANNI PICK

are invited to a memorial service on the 30th day after her passing, Tuesday, November 1, 1977, at 3 p.m. in the Kfar Samir New Cemetery, Haifa. We shall meet at the entrance.

The Family

With deep sorrow, we announce the death on October 28, 1977, of my dear husband, our father, brother and grandfather

MURRY LEWIS

The Bereaved Family

Shiva from today at Lewis, 20/18 Rehov Levin Epstein, Rehovot.

In deep sorrow, we announce the death of our dear

IDA AKKAN
nee Krissack

who has died after a long illness. The funeral will take place today, Monday October 31, 1977, leaving at 2 p.m. from the Municipal Funeral Parlour, 5 Rehov Dafna, Tel Aviv, for the Holon cemetery.

Mourners:
Beatrice and Sami Inselberg

כלא מן האכל

v economic policy efits Western olim

JUDY SIEGEL
Jerusalem Post Reporter

Immigrants' new economic life is likely to have a boost on many potential fronts. But they will not be able to take advantage of the "Western" (the Soviet) countries, if immigrants arriving in the West are not coming with higher costs. The first assessment in Ministry circles yesterday was that the economic situation is not as bright as it seems. They are expected to continue today and tomorrow.

Immigrants from the West who are Security Service in Israel, benefit considerably from exchange rate, and in live more comfortably retirement in their country.

Sources pointed out that the cost of living in Israel will decrease as the new potential olim about bringing their assets along. (Under the law, after 10 years in the new country, the olim can bring their assets to Israel, but in a closed account and

withdrawn only in pounds.) In addition, foreign stocks can now be retained and do not have to be disposed of or deposited in a non-negotiable account on the immigrant's 10th anniversary of aliyah.

Absorption Minister David Levy announced last night that, following an agreement with the Treasury's budget division, immigrants' "pocket money," initial loans and allowances granted during a study in aliyah and participation in re-training courses will be raised starting today by 12 per cent.

Ministry Director-General Menahem Shertok told The Jerusalem Post that he will also demand increases in mortgages to olim to keep up with rising apartment prices. The ministry is also trying to ensure that immigrants will not have to pay the increased Value Added Tax on new flats all at once, but in a number of payments.

Absorption sources worry that the higher cost of living may deter potential olim and hope that increased unemployment — which often strikes olim first — will not compound the problem. Optimists add, however, that if the new economic policies result in a strong economic convalescence and recovery, the initial pains will be good for olim in the long run.

nblum Street — alive serving the tax dodger

Jerusalem Post Reporter

The black market in Jerusalem is quiet yesterday — neither dead nor dying. The "brokers" on the street — about half the usual number — are still there, but they are not turning up and probably beach — think it would be a waste of time, even though now they could sell foreign currency in any bank.

There is in the basic function market. Most dealers are making money off the difference between the official and black rates. Foreign tourists, who are authorized to buy, get a substantial reduction in the rate. The difference between the official and black rates is about 100,000 and the black market rate of about

100,000. The black market rate of about 100,000 is going abroad were \$700 legally at IL15 a cost of them did not go to saving a bit of money.

Lilienblum has been successfully serving immigrants and by facilitating foreign currency in and

n ends visit

Canadian External Minister Donald Jamieson completed a five-day visit to Israel yesterday. He met with Prime Minister Begin, Foreign Minister Dayan and Defence Minister Weizman during his visit. Jamieson has expressed interest in more active in Middle East moves, he said.

His weekend visit to northern Israel, the 200 Canadian soldiers in the Golan Heights and the holy sites along the border. From Israel, he is going to Spain.

champions lose

The "Rest of Israel" cricket league champions were defeated by 44 runs here on the second annual match for the local cricket trophy. The hosts, led by 73 from Pinhas 3 from Isaac Solomon, totalled 184 all out in 35 overs. The hosts finished for 20 in 20 overs. The batsmen were Barry Karpel 41 and spinner Mike for 10, as he cleaned up



One of the Hebrew University's 13,500 students gets down to planning her study schedule for the new academic year, which began yesterday. (Eilat Hersh)

IL130m. budget for TV and radio

Jerusalem Post Reporter

A three-year development budget of IL130m. was approved for the Broadcasting Authority yesterday by its board of directors. The budget — the largest ever — must also be approved by the government.

Authority director-general Yitzhak Livni noted that, in the past, development funds had been approved only one year at a time and never higher than IL10m. a year. The sharp rise is needed, he claimed, to replace obsolete and worn equip-

ment at TV House and Israel Radio — which "are operating with less than the minimum necessary."

Yaron London's "Alei Koteret" (Behind the Headlines) programme was criticized again at the board meeting, this time for his interview with former Foreign Ministry director-general Shlomo Avineri. Board members Eli Tavis and Ariel Weinstein charged it was tendentious and politically motivated. Livni countered that all viewpoints are heard on TV in the course of time.

Hadassah doors fixed for Kohanim

Jerusalem Post Reporter

The half-year breakdown in twin doors that separate the pathology department from the hospital in Jerusalem's Hadassah Medical Centre has been repaired, thus allowing Jews of the priestly tribe to visit or undergo treatment.

Observant kohanim have refrained from entering the Ein Karem hospital since learning that the breakdown created air contact

between the two parts of the medical centre. According to Jewish law, Jewish men of the priestly tribe may not enter a cemetery or a building that contains dead bodies (unless the dead are the kohanim's very close relatives). The prohibition is meant to prevent the defilement of priestly purity.

The complicated door system has finally been repaired by the contractor who invented it — reportedly the only person in the country who can fix such a breakdown — for a fee of IL30,000.

Hadassah officials yesterday expressed their regret over the inconvenience and suffering to kohanim, and announced that a new and simpler system is soon to be installed in the Hadassah complex on Mt. Scopus. If it operates smoothly, the same mechanism will be brought to Ein Karem as well.

Mideast symposium

TEL AVIV (Itim). — Scholars, politicians and public figures from the U.S. and several European countries will be attending an international symposium on the Middle East, organized by "New Outlook" magazine, at the Pal Hotel here next month.

The organizers of the symposium, to take place between November 16 and 22, announced yesterday that among those attending will be George Ball, assistant to former U.S. secretary of state Henry Kissinger; Lord Carleton, former British ambassador to the UN and author of Security Council Resolution 242; former French prime minister Pierre Mendes-France; and a number of U.S. scholars of Arab extraction, including Prof. Eliahu Finkel of the University of California and Prof. Muhammad Mahdi of Berkeley.

Nahal offers new immigrants easier introduction to army

By JOSHUA BRILLIANT
Jerusalem Post Reporter

TEL AVIV. — Nahal (the army's farmer-soldier corps) is carrying out a recruitment campaign among the country's 130,000 temporary residents, the commander of the corps, Aluf Mishne Ra'anan Sharir, told military reporters here yesterday.

An officer has been making the rounds of the universities and kibbutz aliyah and has already induced about 50 young temporary residents to change their status to permanent resident and to join Nahal, Sharir said. (Temporary residents enjoy all the rights of new immigrants who opt for citizenship, but they may not serve in the police or armed forces.)

New olim who join Nahal are sent to basic training a month before regular recruits. This gives the army more time to ease their way into military life, Sharir said. He explained that olim find it harder to adjust to the army than native-born Israeli youth, since many of them have a glorified image of the IDF fostered in the Diaspora by films of

parades and tales of derring-do. During the first month of "pre-basic training" the recruits are instructed in the use of weapons and attend Hebrew classes four hours a day.

The system has proved itself, Sharir said, and the percentage of dropouts has declined. The new immigrants generally form separate groups (nucleus settlement groups) so that their units are more homogeneous — always an advantage.

Nahal units are among those deployed for guarding along the Lebanese border and the Jordan and Beit She'an Valleys, Sharir said.

Since its establishment in 1948, Nahal has built 74 settlements and rebuilt 10 others. Former Nahal soldiers have established 34 settlements. A new settlement, Sal'it, will be inaugurated by the end of the month near Kafr Kassim, Sharir said.

Nahal soldiers (except new immigrants) must sign up for four additional months' service without pay in kibbutzim.

9% decline in marriages in 1976; divorces up 9%

By AARON SITTNER
Jerusalem Post Reporter

Fewer Israelis are getting married, and the average family size last year was 3.7 persons, compared with 3.9 less than a dozen years ago.

These are two of the many trends noted in the latest "Statistical Abstract" prepared by the Central Bureau of Statistics and released yesterday.

It reports that 29,500 marriages were performed here last year, compared with 32,000 in 1975 — a drop of 8 per cent. In contrast, the number of divorces granted in 1976 — 2,857

divorces — was 8 per cent higher than the previous year's 2,652. As for population, there were 3,678,000 people here at the end of last year. Of these, 3,030,000 were Jews. The greatest single national grouping was of North African origin — 428,000. Polish-origin Jews were second with 348,000, followed by ex-Rumanians with 290,000.

Average family size varied with location. In Tel Aviv and Haifa, the average was below three persons; in Jerusalem it was 3.7, the national average. In Jewish moshavim, the typical size of a family in 1976 stood at 4.7; in non-Jewish communities, regardless of type (village, encampment, town), the figure was 5.4.

Offering some forecasts for 1977 year-end findings, government statistician Moshe Siron told reporters in Jerusalem yesterday

"We will probably show a net population increase of 75,000 for the year. But this will be due solely to natural increase, not aliyah. In fact, the immigration-emigration ratio is also steady — some 20,000 newcomers and 16,000 Israelis leaving during 1977."

He also reported no growth in the Gross National Product. However, there has definitely been an improvement in the balance of payments. Siron estimated that a boost of \$700m. in exports this year will narrow the payments balance gap to \$2,600m. from last year's \$3,300m.

This year's figure for exports of goods and services will probably end up at \$2,500m., he believed. Last year it was \$4,400m. and in 1975, \$3,300m.

But building starts, one of the main indicators of economic growth, herald bad news. The bureau expects a 20 per cent drop for 1977 compared with 1976; construction of about 22,000 flats will have begun this year as against 60,000 as recently as three years ago.

New Lod highway still out of bounds

Drivers who are tempted to try out the new, not yet officially opened highway which bypasses the Latrun stretch of the Jerusalem-Tel Aviv road are warned that they face prosecution if they do.

100% THIS WEEK

Let's Draw 44/77
Minimum first prize fund
IL200,000

accumulating up to
IL1,000,000

Today is the last day
for heading in Let's entries.

Yadin to convene Social Betterment C'ttee this week

Jerusalem Post Reporter

The Cabinet yesterday set up the new Committee of Ministers on Social Betterment, appointing Deputy Premier Yigael Yadin as its chairman. Yadin at once announced that he would convene his committee this week.

The other members of the committee are Finance Minister Simha Ehrlich, Construction and Housing Minister Gideon Patt, Health Minister Eliezer Shostak, Religious Affairs Minister Aharon Abuhatzela, Education Minister Zevulun Hammer, Labour and Social Betterment Minister Israel Katz, Interior Minister Yosef Burg, and Absorption Minister David Levy.

The Cabinet also coopted the four new DMC ministers to the various ministerial committees. It appointed Eliezer Shmueli as director-general of the Education Ministry. Shmueli, 49, has been acting director-general for the past year. He replaces Elad Peled, who went to the U.S. to study.

EL AL

(Continued from page one)

claim that under the present system they are called on to work Sabbath shifts too frequently.

But a member of the works committee hotly denied that yesterday's delays had anything to do with their labour dispute, which is to be investigated by a team appointed by the Technion in Haifa. He told them that the delays were the result of over-extension of the company's aircraft. "It is simply not possible to continue flying them without carrying out certain repairs once and for all," he said. A spokesman for EL AL also denied last night that the delays were the result of industrial action.

Sceptics, however, believe that as the Technion committee has not yet been able to start its study, the technicians have decided to take job action without admitting it.

Among the flights delayed yesterday were the 11 a.m. to New York, which took off at 7.30 last night; the noon flight to Paris and New York, which was not expected to leave before midnight; and the 10 a.m. flight to Frankfurt, which was only expected to leave by 10 p.m.

FOR TODAY ONLY!

UNEXPECTED PROFITS

October is Savings Month at Bank Leumi, and you can enjoy extra bonuses on your savings.

You get:

1. Deposits recorded with last month's index figures, i.e. open an account in October and get September Index retroactively.
2. Full linkage after only 3 years.

You enjoy an immediate 10% bonus. After 6 years, you receive 110 % linkage, plus interest on your savings and the bonus, plus accumulated interest. And all tax-free!

Save with

"KOAHA HAI KIFLAYIM"

Details available at Bank Leumi, the Union Bank and the Arab-Israel Bank.

yours with bonuses
Bank Leumi בנק לאומי
IE-ISRAEL B.M. נישואי בנינים

The main branches in Tel Aviv, Jerusalem and Haifa will be open in the afternoon also, for the opening of Koah Hai Kiflayim accounts.

"Can we help you?"

**Tel Aviv to London
Daily at 08.50**

**London to Tel Aviv
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Book through your Travel Agent or any British Airways office. (03)229251-(02)233511-(04)535360

**THE PEOPLE OF ISRAEL IN ITS LAND
From The Time of The Mishnah and The
Talmud to The Ottoman Period**

A Series of Bi-Weekly Lectures in English
December 1, 1977—June 1, 1978

The course will cover the topics dealing with the Jewish settlements in Eretz Israel during the Roman and Byzantine period; the Arab conquest and the early Muslim Rule; the Latin Kingdom of Jerusalem (Eretz Israel under the Crusaders); the Mameluke Dynasty; the Aliot in the Mediaeval period and the Ottoman conquest.

Time and Place: Sessions will take place every second Thursday from 8.30 p.m. to 10.30 p.m. at the Z.O.A. House, Tel Aviv, Tel. 259341

Cost: (not including field trips) IL120 per person; IL200 per couple; IL100 for new olim, students and soldiers.

The seminar will open with the lecture on:
Yavneh—The Restoration of The Jewish People and The Emergence of Rabbinical Judaism
By Dr. Leo I. Levine

A detailed programme will be mailed upon registration. Mail your subscription fee to Z.O.A. HOUSE, 1 Rehov Daniel Frisch, Tel Aviv, specifying full name, address and telephone in clear writing

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DAN HOTELS,

ITALITY PLUS.

October

Pretoria troops, Swapo in heavy border clash

PRETORIA (AP). — Sixty-one black nationalist insurgents and five white South African soldiers were killed in a battle across the border between Angola and South West Africa (Namibia), South African defence headquarters announced late Saturday.

The casualties are a record in the relatively low-key bush war being fought between South African troops and insurgents from the UN-recognized South West African People's Organisation (Swapo) in the disputed territory.

South Africa has administered it for the past 31 years — 12 of them in defiance of UN resolutions.

News of the battle came as Foreign Minister R.F. "Pik" Botha hinted heavily that South Africa might pull out of South West African independence negotiations with the West if this country is declared a threat to international peace at this week's UN debate to enforce an arms embargo.

The military communiqué said the fighting began last Thursday afternoon when a South African patrol clashed with an 80-member Swapo force just south of the bush clearing on the South African side of the border.

The fighting, with casualties mounting, moved backwards and forwards across the border until Saturday morning, with South African reinforcements drawing fire from Swapo bases inside Angola, according to the communiqué.

It referred to the skirmish with the "most northern Swapo base" ending on Saturday morning. But it did not say how far South African forces penetrated into Angola.

The communiqué said after the initial skirmish in which men on both sides were killed, the commander of the South African patrol "had no other choice but to attack the terrorists."

It said the Defence Department will ask that South Africa lodge an official complaint against the border violation, "which is one of a series of similar violations in the same area during the past four months."

The communiqué did not say where in the 1,360-km. border the clash took place. The border includes 450 kms. of the narrow South African-controlled Caprivi strip where, at its eastern point, the borders of South West Africa, Botswana, Rhodesia and Zambia meet.

Rhodesian talks commencing

(Continued from page one)

likely to be difficult to overcome, and it seems certain that Lord Carver and Gen. Chund will find it hard to negotiate with men whose mutual suspicion equals their shared worry about the Anglo-American package.

The Anglo-American peace plan calls for Smith to surrender power to Lord Carver. The field marshal could then run Rhodesia during a six-month transition to one-man, one-vote elections for the leadership of the new Zimbabwe.

But the Patriotic Front is united in objecting to the presence of UN troops — foreseen in the Western package as providing Lord Carver with support — and wants its own guerrilla forces to police the transition to black majority rule.

Smith objects strongly to this idea,

and has stressed his determination to retain his own, white-led forces as a prerequisite for a settlement that would conform to his aspirations for Rhodesia's future.

The Rhodesian leader favours an internal settlement with what he considers moderate black leaders, bringing in Patriotic Front forces only under the command of his own generals. This is rejected by the Front.

There are growing indications here that the exiled nationalists, with some support from the "front line" states — Zambia, Tanzania, Mozambique, Botswana and Angola — who are their main sponsors, want to scrap Anglo-American provisions for pre-independence elections.

Officials here said elections could be postponed until after independence — a major departure from the Anglo-American package.



Anti-militarism demonstrators gather behind barbed wire fence of a Japanese army training camp near Tokyo yesterday. They were protesting a parade held to mark the 23rd anniversary of the founding of the Japanese Self-Defence Force.

(UPI telephoto)

Family of Dutch tycoon appeals to kidnappers

AMSTERDAM. — The family of kidnapped Dutch property tycoon Maurits Caransa appealed yesterday to his abductors to make contact with them. More threatening telephone calls were received yesterday about the 61-year-old multi-millionaire, but police said they could not confirm their authenticity.

The family's statement, issued through the Dutch news agency ANP, said that "none of the reports which have come in up to now give the impression that they (the messages) are serious and really come from the kidnappers."

"The Caransa family appeal urgently to the kidnappers, or to those who are responsible in any way at all for the kidnapping, to make genuine contact," the statement said. Caransa was grabbed by four or five persons after leaving an Amsterdam nightclub early Friday morning.

The calls were received by the Amsterdam mass-circulation newspaper "De Telegraaf." An editor said several were from persons using broken German who claimed to represent the German-

based terrorist Red Army faction. They demanded the release of Knut Folkerts, a 25-year-old German terrorist held in Holland since a September 23 shootout in the city of Utrecht in which a policeman was killed.

One caller spoke Dutch with a heavy Moluccan accent and described himself as a spokesman for three terrorist groups: the Red Army faction, the "Palestine Liberation Front" and what he called the South Moluccan Suicide Commando. The latter was the first public reference to any suicide squad in the Moluccan community whose militant youth has staged two train hijacks and other acts of terrorism in the Netherlands in the last two years.

The caller demanded the release from jail of Folkerts, more than 20 Moluccan terrorists now held in Dutch prisons, and Japanese terrorist Kozo Okamoto who is serving a life term in Israel for the 1972 massacre at Ben-Gurion Airport in which 26 persons were killed.

The caller said Caransa would be killed unless the terms were met. (AP, Reuter)

Historian says he found Hitler's son

LONDON (UPI). — A German historian has found the son nobody knew Adolf Hitler had, alive but none too well and living in northern France, "The Sunday Times" newspaper said yesterday.

It said Dr. Werner Maser, 55, who made his name by research into the Nazi period, "has known for 12 years that Hitler had a son, despite the widespread belief that Germany's wartime leader was impotent."

Two years ago, he said, Maser located the son, a young man, living near the French-German border. He said Lorett is married,

the father of nine children and is "desperately ill and does not expect to live much longer."

The newspaper said Lorett "is now ready to tell the world about his parentage," not to make money but to let the world "know that Hitler was not impotent."

It said Hitler "is supposed to have met the mother in 1918 while serving in the first world war." The boy was given his mother's name and brought up by his grandparents.

"Evidence to support his claim comes from several sources," "The Sunday Times" said.

Singapore holds hijackers, releases plane

SINGAPORE (AP). — Four armed Vietnamese who killed two crewmen aboard a Vietnamese airliner and forced it to land in Singapore were being interrogated by police yesterday, the Home Affairs Ministry said.

The Vietnamese DC-3 meanwhile flew back to Saigon yesterday morning with 21 passengers, three crew members and the two dead bodies. It left behind the hijackers, one injured crewman and one passenger who refused to go back, the ministry said.

The ministry gave no details about the motives of the hijackers who had surrendered on landing, or about their identities, except that all were males.

The Singapore government said they would "be dealt with in accordance with international law and conventions governing such matters."

Observers said that if the hijackers' intention merely was to seek political asylum, they had complicated their case by killing the radio operator and flight engineer and seriously wounding a steward.

The government said the steward

was in a hospital, unconscious. The pilot, Nguyen Van La, who gave a brief news conference early yesterday before leaving, said some of the passengers had been sympathetic towards the hijackers.

Reporters at Seletar air base, where the plane landed, were not allowed to interview the passengers before their return.

The Singapore government said the passenger who refused to return was a 26-year-old bachelor who had no place to go. "He was not pressed to leave, and inquiries will be made to ascertain where he wants to go," the Home Affairs Ministry said.

The Vietnamese pilot told reporters he heard shots 15 minutes after take-off Saturday morning from Saigon for Vietnam's Phuquoc Island. "I looked around and saw the flight mechanic and the radio operator lying on the floor," he said.

"They were not quite dead, but the hijackers finished them off by stabbing them with long knives."

The plane then flew to Utapao, Thailand. The Thai provided food, water and fuel, but made the plane leave Utapao two hours later; a Thai

WORLD SCENE

Go-ahead for neutron bomb — another headache for Carter

THE CARTER ADMINISTRATION is struggling with numerous policy problems and the list seems never-ending. At home there is the ever-present energy problem and what to do about it because of increased U.S. dependence on imported (especially Arab) fuel.

Abroad, there is the new Panama Canal treaty designed to relinquish rights to Panama and how to overcome home opposition to it; trying to put through the second phase of the Strategic Arms Limitation Treaty with the Soviets; the growing Middle East problem; what to do about closer relations with China; the sharpening fight with Rhodesia and South Africa.

As if this is not enough, Washington officials are faced with an issue causing much uneasiness within the ranks of their European allies: what to do about the enhanced radiation weapon now known as the "neutron bomb."

The U.S. must decide whether to go ahead and produce it. The weapon actually is not a bomb but a warhead, a small hydrogen device designed to kill enemy troops within a restricted radius of about 200 metres while causing little physical and structural damage. It releases fast neutrons against which there is no known defence. It kills instantly at short range and slowly and painfully at a longer distance, but leaves little long-term radioactivity.

It is claimed that tanks would need a 30-cm. sheath of lead, or double that of concrete-plus-iron, to protect its occupants against neutrons.

NATO military officials are for the weapon but are nervous about the political repercussions if they opt for it. Voices are being raised that it is an "inhuman" weapon and that it is likely to bring nuclear war nearer.

WITH GROWING doubts being expressed publicly, NATO officials point out that the Atlantic alliance has for years deployed nuclear weapons.

Of the 7,000 stored by the U.S. in Europe (as against 3,500 by the Soviets in Eastern Europe), 5,000 are located in West Germany. These weapons are held in sealed vaults behind thick concrete walls and are guarded by both American and German troops.

Since 1969, the West Germans have a seat in the nuclear planning group of the alliance and have a say in the deployment of nuclear weapons on their territory. However, the decision to release the nuclear warheads rests with the American president.

Public opposition to the neutron bomb in the U.S. has resulted in three demonstrations against the weapon,

all at Carter's church in Washington. He was presiding the third one, two weeks ago, and the presidential was reported to have sat there in shocked silence as protesters were huddled out and arrested.

Carter is sensitive to any public outcry, even if such a subject as this is not exclusively an American issue. The neutron bomb has no strategic use for it and is designed for such a region as Europe, while having the final say on the subject.

The Russians have made capital out of all this, the bomb a "diabolical toy" and a "capitalist" because it kills people but spares property. A neutron bomb has been around for some time, tested by the U.S. before 1963, and the Russians doubtless have it and could deploy it in Europe.

IN THIS CONNECTION it is of interest to note that the Chinese have got into the neutron act. Chu Hua Kuo-feng recently briefed officials in Peking arms and the possibility of a third world war, a

"The U.S. has made successful experiment their neutron bombs and has put them to the test. We have actively collected material for the test. We are prepared to make further progress."

The argument continues about the bomb's usefulness, being a further deterrent on the one hand, the bomb makes the Germans happier a NATO strategy which considers fighting a tactic on their soil? And would such a "safe" weapon be easier to initiate the use of nuclear weapons?

More than 20 years ago, NATO held manoeuvres which a couple of hundred atomic bombs were set to be dropped on West Germany by the allies to a imaginary Soviet onslaught. NATO planners then ed out that West Germany dead in the operation total nearly two million, with another three million wounded. German interest in the deployment any new weapon is therefore understandable.

Many Germans see little difference to the toll man civilians even if neutron bombs replace the stockpile of nuclear weapons held on both sides Iron Curtain; and a lot of Europeans feel anyway the new weapon is merely a marginal tactical improvement.

Carter was due to make up his mind about the bomb this month, but the continued doubts of his peace allies have left the matter in abeyance and is likely to be done about it for several more months.

Spanish police end jail riot

MADRID (UPI). — Spanish police firing smoke bombs and rubber bullets yesterday put down a new prison riot by convicted common criminals who want to be amnestied.

The uprising at the Barcelona provincial jail left "a large number" of persons injured and at least one cell block gutted by fire, the national news agency said. It said four inmates and two policemen sustained serious injuries.

Police needed eight hours to restore order after the disturbance by several hundred prisoners began Saturday evening at the end of a movie showing.

Organized groups of common prisoners are demanding the same kind of amnesty that has freed thousands of political prisoners since dictator Francisco Franco died two years ago.

Unrest in Spain's correctional system has been fire since last spring and peaked in July with a prison revolt that affected dozens of prisons nationwide. The centre of that rebellion was in the Madrid provincial jail, where police used dynamite against the rioters after four days of rioting and destruction.

Wave of executions said sweeping China

LONDON (AP). — A wave of executions is sweeping China in a great purge following the coming to power of Chairman Hua Kuo-feng, according to Nigel Wade, Peking correspondent of the London "Sunday Telegraph."

Wade said in yesterday's early editions that available evidence leaves "little doubt that the overall total of executions throughout China this year must be well into the thousands. It is becoming almost commonplace for foreign travellers to see execution notices in cities and towns."

He said that in the latest known case, "scores of people, including women, have been executed in the province of Yunnan."

Wade quoted unnamed senior Chinese officials in Hefei, Anhui province, northeast China, speaking openly about a sharp increase in the rate of executions in the province since Chairman Hua came to power 12 months ago. They said criminals and "bad elements" were once protected by the "Gang of Four" led by (Ching) Mao Tse-tung's widow, been put to death.

He reported five execution in seen in Peking, totalling 100 names, with photographs prisoners paraded in front of rallies with placards rousing necks describing their crime.

ELAST. — Two persons were and 11 injured in an explosion fire at a large oil refinery in a western Iran, the state-owned news agency reported yesterday.

According to a statement by the National Iranian Oil Company, the explosion occurred at 10:30 a.m. on Saturday.

Unskilled millionaires need not apply in New Zealand

AUCKLAND (Reuter). — New Zealand Immigration Minister Frank Gill has told a Belgian millionaire he cannot buy his way into the country and must leave because he lacks the skills required of an immigrant.

Gill, confirming that he had told Victor Waroquier to leave, said "this man does not fit into our policy in any way whatsoever." New Zealand's immigration policy provided for people with certain skills which Mr. Waroquier did not have, he added.

Waroquier, 48, who arrived by yacht, has been given until March to leave so as to avoid the hurricane season but has said he intends to settle his affairs and sail in three weeks.

Waroquier arrived here last October in his 22-metre yacht with 30-year-old Parisian companion Frisca Polier.

The couple were granted one year visitor's permits but were so impressed by New Zealand they filed an application in March to settle permanently, built a house and invested some \$60,000 in a timber company.

Gill said Waroquier's claim that he was worth three million dollars had no bearing on the case.

A spokesman for the minister earlier there were difficult "unresolved" status, age and the fact that Waroquier, "millionaire," was the current list of occupations in New Zealand.

Miss Polier said the 48-year-old millionaire had no ski qualifications, but said he or time kiln near Mossburn, France and West Germany a insurance interests.

"The fact that we had money needed to look after our just did not seem to count," at Waroquier said he had later put most of his money in New Zealand but now was going to possessions here and in November 13.

"The immigration minister that he had thousands of people hundreds of thousands of wanting to come to New Zealand as far as he was concerned, try did not need our money. I wonder that New Zealand economic problems?" he asked.

SUPER-SOL

Despite recent price increases, we still sell

Choice Fresh Meat

at the old prices:

Brisket 1 kg.	form. 51.—	47.— (with bones)
Brisket 1 kg.	form. 55.—	49.—
Ribs 1 kg.	form. 53.—	49.—
Shoulder 1 kg.	form. 59.—	53.—
Shoulder (special) 1 kg.	form. 64.—	59.—

SUPER-SOL

NOTICE TO CIGARETTE SMOKERS

NEW CONSUMER PRICES FOR CIGARETTES ARE LISTED BELOW

Brand	Price per Packet of 20 Cigarettes including VAT
Broadway, Time 100	7.50
Smile	7.—
Time, Europa, Time Menthol, Sheraton, Nelson Filter, Savoy	6.45
Royal, Nelson, Noblesse Filter	5.—
Ascot, Dubek Filter, Eden, Polaris, Montblanc	4.—
Dubek 10	2.90
El Al round or oval	2.20
Silon	2.—
Ayalon	1.90

Consumers are requested not to pay more than the price printed on the banderole.

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October 30, 1977

THE ISRAEL REINSURANCE COMPANY LTD.

CONDENSED FINANCIAL STATEMENT AS AT JUNE 30, 1977

(IL thousands)		Condensed Balance Sheet	
30.6.76	30.6.77	30.6.76	30.6.77
13,028	22,435	15,818	22,133
100	2,995	5,828	7,180
24,051	35,612	563	965
4,190	4,281	24,833	33,339
1,771	1,715	30,050	51,114
66,064	97,747	41,716	67,870
456	913	2,340	8,552
11,300	25,627		
120,945	191,175	120,945	191,175

Condensed Statement of Life and General Reinsurance Business

105,253	138,916
50,719	77,783
666	2,113
732	1,184
37,141	57,511
1,926	1,382
17,586	24,270
4,546	2,053

Notes: Detailed and complete Financial Statement with notes of the Company's management including auditors' report will be available on request from the Company's office, P.O.B. 11589, Tel Aviv.

The above publication is made in accordance with the Insurance Business Superintendence Law — 1951.

Condensed Statement of Profit and Loss and Appropriation of Profits

1,336	5,619
400	2,190
1,119	1,195
417	525

ISRAEL LANDS ADMINISTRATION BEERSHEBA MUNICIPALITY Southern Region

Build Your House in Beersheba

Derech Masada, Stage C

Registration has opened for the above scheme, under which 96 plots will be allocated for single-family houses in Beersheba. Registration will open at 9 a.m. on Sunday, November 20, 1977, at Beersheba City Hall, and will continue during normal office hours until December 15, 1977.

Additional details and a detailed prospectus will be available from November 20 at Beersheba City Hall, and the Southern Region offices of the Israel Lands Administration, 53 Rehov Ha'atzma'ut, Beersheba, during normal working hours.

כלכלה מן האל

By YA'ACOV ARDON / Jerusalem Post Reporter

פרדיז Paradise

STOCK MARKET NEWS

PHILIP MORRIS Investment Co., a Rascos subsidiary, has reported its annual figures for the period ending March 31, 1977. Operating earnings were up by almost one third to IL14.1m. Rascos specializes in the rental of industrial buildings. The company's net after-tax earnings for the year rose by 67 per cent to IL7.5m. The consolidated balance sheet total rose by 13 per cent to IL101m. The management recommends the distribution of a 16 per cent gross cash dividend and a 20 per cent share bonus.

Securities (Insurance) Ltd., a substantial insurance company which represents in Israel the Fireman's Fund Insurance Co. of San Francisco, has announced that it intends to go public and has submitted a draft prospectus to the T.A.S.E. for the issue of IL6.25m. ordinary registered IL1 shares along with 1.5m. options convertible to IL1 ordinary shares. The shares and options will be offered to the public in 62,500 units of 100 IL1 shares and 25 options.

The Israel Electric Corp. has just released its annual report for the year ending March 31, 1977. Income from the sale of electricity has increased by 3 per cent to IL2.8b.; however, operating costs, two thirds of which are for fuel, have gone up by 40 per cent. As a result operating income was up some six per cent on the year and reached IL2.54m. After-tax profit dropped by more than 50 per cent to IL1.51m.

Earnings per share were 31 per cent. The management recommends the distribution of a gross cash dividend of ten per cent on the ordinary shares and five per cent on ordinary B shares.

hilton Hameloni plans to offer IL24m. convertible and IL 6m. option into common "A" shares.

ments has published its annual report for the year ended 1976. Income was slightly up on the year, and operating profit rose 7 per cent. Pre-tax profit by one third in comparison with the previous year. Net profit was 16 per cent lower.

any has already distributed a five per cent share dividend. The T.A.S.E. is studying the possibility of a programme in the company. The company to the Exchange to rough a public issue of shares in the group, to be the most likely

Port profits warning

A product selling for the same \$100, but having a domestic added value of 80 per cent, so far represented a revenue of IL1.355. If it cost IL1.155 to produce, it left a profit of IL2.0. But under the new system, with domestic costs rising 10 per cent to IL1.305, the profit will fall to IL1.95 — a 7.5 per cent decline.

If, contrary to the Treasury's predictions, domestic costs will rise by 20 per cent, the first product will leave a profit of only IL1.89 per \$100, and the second, with the higher domestic value added, will yield a profit of only IL1.04 — a 50 per cent fall compared with the present situation.

Shamir appealed urgently to the Finance Minister to restore export incentives or take other action to redress the situation.

in new car sales seen

Automobile importers know how the new law will affect their business. The pattern of previous years followed, however, further drop from last year of about 20,000 and imports may be cut in half.

ent of the Auto Importation, Aris Carasso, said yesterday that in the future there will be no deliveries, customs were closed

ng up five per cent

Britain is about to move five per cent up, the Observer said yesterday. It said the "have decided" (an upward revaluation) way to check off the inflow of foreign funds

closed Friday at a per cent revaluation dollar value to \$1.866.

currency moved up from about \$1.72 this in Treasury officials

poultry slaughtered illegally

approximately 335,000 chickens and 17,400 turkeys were rejected as not suitable for human eating. Had these chickens and turkeys been slaughtered in places without supervision, most would have reached the tables of Israelis, he said. He reported that there is now a U.S. Department of Agriculture proposal under which Israel would be eligible to export poultry products to the U.S. This is because Israel's poultry inspection system is equal to that of the U.S., he said.

rs add 25%

porters here were in even those of their for taking imports out of customs clearance) add 25 per cent the new exchange would however, be that difference in four elements, the customs need. Until Wednesday rate for the import is fixed at IL15.

nd wholesalers who did about new prices, did sales yesterday noon, however, they at prices 25 per cent see they had charged

the Shippers Council Mehual said yesterday country's freight bill, year, would go up by 100 Friday the dollar bills are invoiced and exporters that the rate is about that in terms of Israel up by 50 per cent, to IL90.

Science: free and independent

By AARON SITTNER, Jerusalem Post Reporter

Would a giant multinational corporation sponsor a forum where it — the corporation — could come under fire? The answer is, yes. One such corporation, perhaps a loner, is CIBA-Geigy, a world leader in the pharmaceutical manufacturing field.

"We are independent — completely independent — in our policy, and that was the condition I laid down when I assumed office as director of the Ciba Foundation," Sir Gordon Wolstenholme told The Jerusalem Post last week in his VIP guests' apartment at Mishkenot Sha'ananim.

Sir Gordon and his wife are here for a five-day visit as guests of President Ephraim Katzir. On Thursday night, Sir Gordon lectured on "International and Interdisciplinary Cooperation in Science" at the Israel Academy in Jerusalem.

The lecture told of how the Ciba Foundation operates to advance research and cross-thinking by the world's foremost experts in chemistry, biology, medicine and allied fields.

"It was right after the Second World War that CIBA, headquartered in Basle, decided to establish the Ciba Foundation," Sir Gordon related. "As a token of gratitude for not having suffered the effects of the war, CIBA wanted to contribute to society by encouraging multidisciplinary research in science related to life improvement. A fine house was acquired in London, and financing was entrusted to a group bound by Britain's strict Charitable Trust Law. In May 1949 I was asked to become Ciba Foundation's first director."

Since then, the doors never close and the lights never go out at 41 Portland Place, W1. Symposia, discussion meetings, workshops, lectures, seminars and guest conferences are always in progress — with the leading scientific brains flying in from all corners of the earth. After Julius Axelrod won the 1970 Nobel Prize in Medicine for his work in tracing how nerve impulses are transmitted in the body, he called Sir Gordon to tell him something: the spark that ignited the idea in his mind had come ten years earlier — at a Ciba Foundation conference at Portland Place.



Sir Gordon Wolstenholme

Portland Place, W1. Symposia, discussion meetings, workshops, lectures, seminars and guest conferences are always in progress — with the leading scientific brains flying in from all corners of the earth.

After Julius Axelrod won the 1970 Nobel Prize in Medicine for his work in tracing how nerve impulses are transmitted in the body, he called Sir Gordon to tell him something: the spark that ignited the idea in his mind had come ten years earlier — at a Ciba Foundation conference at Portland Place.

Recently, said Sir Gordon, a Ciba Foundation workshop took on the problem of environmental pollution by the chemical (and pharmaceutical) industries. "It was a bit strange, don't you think, that CIBA-Geigy, a drug maker, should allow such a subject under Ciba Foundation's auspices?" he asked. "But we are a completely autonomous body and in the final analysis this impartiality can only reflect well upon CIBA-Geigy."

Subjects discussed — and later published in book form — cover a wide scope. They range from a seminar on health care in China to a symposium on immunology of the gut; from a workshop on peptide transport and hydrolysis to a discussion meeting on "Grafting a new medical school onto a Canadian city."

Running the Ciba Foundation costs about £350,000 annually — with £320,000 contributed by CIBA-Geigy's 150 branches or subsidiaries throughout the world, and the other £30,000 coming from royalties generated by the foundation itself.

Most of the money is spent on the travel and accommodation expenses of the world experts coming and going to and from Ciba Foundation events. "Israel is represented way out of proportion to its size at Ciba Foundation," Sir Gordon said. "You have a wealth of scientific expertise here and it is hard to visualize a major symposium at the foundation without some Israeli present."

Sir Gordon, who lectured in Beirut earlier this week, crossed over into Israel from Jordan. Asked about medicine in the Hashemite Kingdom, Sir Gordon told The Post: "Ammann's new medical school impresses me as having the opportunity of becoming one of the Middle East's finest. There is also an outstanding army hospital in Jordan. But it appears there is too little cooperative between these two institutions."

When he gets back to London, Sir Gordon will keep his staff going on an important venture — "furthering more interchange between biology and the social sciences...we are the pioneers in this area and we hope to remain the leaders in," this vital field of research he said.

Boost to building industry

Jerusalem Post Reporter

"The Government's new economic policy will give a boost to the country's building industry and will attract millions of dollars in real estate investments by Jews in the free world," this was stated yesterday by Werner Loyal, director of the Anglo-Saxon real estate agency in Jerusalem.

Jewish investors who in the past were put off by foreign currency restrictions and bureaucratic obstacles can now be expected to invest here in apartments, shopping centres and industrial premises.

"Since the new policy was announced, our company and other real estate brokers have already received inquiries from potential investors and olim," he said.

In the past, Jews from abroad were discouraged from investing here, because they knew that if they decided to sell they would be prevented from repatriating the proceeds in their entirety. If they wanted to rent out their apartments they could not transfer the income.

During the past few years we witnessed an increasing extent of the phenomenon of Israelis buying

apartments in dollars with the help of an "uncle in America." These "uncles" can now be expected to transfer their dollar holdings to Israel for investment in the country, Loyal said.

Immigrants will also no longer be discouraged by regulations which force them to transfer their dollar savings into Israeli pounds after ten years, thereby incurring the loss of a large part of their capital because of devaluations.

Israeli and foreign Jewish building companies will now be able to use Israel as a base for building activities in nearby countries, especially Cyprus, Rhodes, Iran and Turkey. At the same time considerable amounts may now be invested in real estate and the tourist industry here by Iranian Jews, whose financial resources have grown during the last four years, he said.

Loyal said he hoped the Government would now authorize the Israel Lands Administration to sell large areas of land to private builders. This would lower the land component in the cost of an apartment.

Using computers to control irrigation

Jerusalem Post Reporter

HAIFA. — Scientific Data Systems Israel Ltd., an affiliate of the Elron Group, is expanding its automatic irrigation and water control systems. The company specializes in manufacturing and exporting memory systems for computers. Sales last year were IL23m., most of them (IL22m.) in exports, general manager Dr. Hillel Weinstein said last week. Profits before taxes amounted to IL6m.

S.D.S.I., founded in 1969, last week signed an agreement with Meidar

Company on the manufacture and exclusive marketing rights for electronic control systems for irrigation developed by Meidar, and for servicing these systems here and abroad. The number of farms and kibbutzim introducing such systems is steadily growing. The systems save substantial amounts of water and also increase crops.

S.D.S.I. shares are held by the Discount Investment Company, Elron and Dr. Weinstein. The firm employs 140 in its plant in the Haifa Bayside area.

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Will the burden be shared?

THERE IS an old debate among both economists and politicians as to the relative merits of stressing the division of the economic pie — or making the pie bigger, even at the cost of disregarding its equitable division. It is doubtful whether the issue can ever be settled, for the positions held are often dictated by ideological prejudices.

Mr. Ehrlich's new economic policy constitutes a clear-cut preference for dealing with the problems of economic growth, while putting aside the questions concerning the distribution of the benefits and the burdens which this policy will generate.

Contemplation of the new policy — once the initial shock has worn off — would seem to indicate that it is not entirely of one piece. A major part of it — the massive one-time devaluation of the pound — is a policy that was attempted by Labour governments in 1952, 1962 and most recently in 1974. The question of whether a bold one-time shock treatment is to be preferred to a more careful strategy is largely a matter of taste, political and economic judgement, and the nature of the economic pressures and circumstances of the given period.

There is much to be said both for and against each approach. We will simply have to wait and see whether Mr. Ehrlich's preference for the daring jump produces better results than Mr. Rabinowitz' step-by-step tactics of the past three years.

That, however, is only part of the dispute which is building up around the new policy. Mr. Ehrlich has also seen fit to attach an ideological identity to his policy package, both in acts of commission and of omission. The historic ending of nearly all controls on foreign currency transactions, and the failure to take any meaningful measures towards more effective enforcement of value added tax and income tax collections bear the stamp of a class-oriented policy. This could bode ill for the implementation of the entire policy.

The Prime Minister and the Finance Minister have rightly emphasized that the chief purpose of economic policy today is to trigger an increase in production, and especially production for export. The manner in which they propose to do it, however, is risky, and the results are certainly far from being guaranteed.

For example, the causal connection between decontrolling foreign currency and the flow of foreign investments which Mr. Ehrlich foresees is tenuous at best. On the other hand, the possibility of a large-scale outflow of dollars, legally purchased by affluent Israelis who nonetheless feel more confident having them in foreign banks rather than in local accounts, should not be underrated.

The most serious problem has to do with the public's perception of the essential equity of the new policy. There is every reason to believe that the policy will lead to the further enrichment of the upper one or two deciles of Israel's population, while maintaining the income levels of the lower one or two tenths. The middle six to eight tenths will be called upon to bear the brunt of its burdens.

One need not be a radical firebrand to suggest to the Government that these six to eight hundred thousand families may not respond to its calls for cooperation if they sense that these burdens are not being fairly shared. And certainly Mr. Ehrlich's apparent intention to suspend the law regarding moneys held abroad illegally until now, will not promote such a sense of the shared burden.

The Histadrut's historic insistence on maintaining a continued growth in real income levels and the living standards which they support, in total disregard of economic realities and of real levels of productivity, was responsible in the past for the failure of programmes based on major devaluations. Many Histadrut members have come to understand this. There is thus a reasonable prospect for popular cooperation in a harsh but necessary economic reform.

But such cooperation will simply not materialize if the impression is gained that the same minority that has enriched itself in the past ten years under a short-sighted Alignment economic leadership will be enabled, and even encouraged, to continue its feeding on the body economic unchecked by a no less obtuse Likud-DMC leadership.

Taking a second look at the Government's new economic policy, MEIR MERHAV suggests some political consequences, or perhaps intentions, of what has been described as a depoliticization of the country's exchange rate.

The invisible hand moves in

PROFESSOR Milton Friedman, who lives far away in a world of his own, may believe that what Mr. Ehrlich has just wrought is the replacement of a paternalistic, collectivist socialism by capitalist freedom. We here should know that these are not the real alternatives.

The system that emerged in Israel's 25 years may indeed have been — and still be paternalistic and bureaucratic to the point of ossification, but it has never been anything but a capitalist system. In fact, Mr. Ehrlich might consider laying a wreath on the grave of Pinhas Sapir, the Labour leader who did more than anyone else to build Israel's capitalism and its entire nouveau riche class.

With all its inefficiencies, the system was both politically and economically remarkably free. In some respects it was in fact a free-for-all. Whether Mr. Ehrlich's reform will make it more efficient in the sense that reality matters — i.e., in furthering the growth and welfare of the nation as a whole, rather than that of those whose survival "proves" they are the fittest — remains to be seen.

The new economic freedoms now held out to us as the glittering prize of the new liberal era are largely irrelevant for the majority, whose shrunken paychecks will soon disclose to them that they have become less free than before. Some of these freedoms are of a kind we are not yet affluent enough, as a nation, to be able to afford.

THE FIRST reactions to Mr. Ehrlich's bulldozing of an entire structure of economic policy and management have naturally centred on the as yet novel technicalities, the more obvious risks and the immediate economic consequences.

For the professional economists, last Friday was an intellectual feast, even if some of them were concerned about the odds in the gamble. At long last, so they tended to think, there is a chance for a breakthrough into a rational economic system. After more than a generation, all the price distortions, the inefficiencies, the misallocations of resources, the irrational, Kafkaesque interferences with the market mechanism, might finally wither away. At last, the "invisible hand of the market" would reign supreme.

On reflection, it will indeed be seen that this reinstatement of the invisible hand is what Mr. Ehrlich's new freedom is ultimately all about, not only — perhaps not even primarily — from the economic viewpoint, but in political terms as well.

Initially, many people — this writer included — responded to the Ehrlich upheaval with an expression of concern about its great risks, especially in view of the external political situation. The combination

of an audacious economic policy with a foreign policy which equally calls for a great deal of audacity, seemed to cross the thin red line between a calculated risk and a reckless gamble.

Mr. Ehrlich's almost arrogant statement that his new measures would make Israel join the club of the affluent, comfortable, and secure Western nations did nothing to dispel the concern. The disparity between the objective condition of a country threatened by war and foreign deprivation and that still contends with a structurally deficient economy, and the introduction of "freedoms" which only a handful of the richest nations have permitted themselves, was too great to be accepted with equanimity.

Even given Mr. Ehrlich's ideological commitment to his own brand of economic liberalism, he still had a choice between two courses of action.

He could have made an effort to stabilize the economy first, to improve its foreign payments position by our own efforts (instead of by back-up loans from the International Monetary Fund) — and then, from a position of relative economic strength — to float the Israeli pound and even abolish currency control.

He could also have waited for a politically more stable time. That would have had a cost — probably in the form of a temporary deterioration in our balance of payments position, because renewed growth would have cost foreign currency before it could have begun to pay off, and possibly also in the form of a further depression of living standards. It would also have had a price in terms of time, for such a policy of stabilization could only have been gradual.

INSTEAD, Mr. Ehrlich chose to cut the Gordian knot. He took the risk of relying on a short-term, artificial bolstering of our foreign reserves in an heroic effort to stabilize the economy at one blow. The massive one-time devaluation and its consequent depression of living standards was based upon the hope that the economy would have enough time to reap the expected benefits of growth.

By putting the whole burden of the stabilization process on the people, he announced, in effect, that he was not prepared to give up any part of the country's official foreign currency reserves for that purpose.

This is where the real tie-in between Ehrlich's economic policy and our external political position must be sought. But it was the amiable Bank of Israel Governor, Arnon Gafny, who inadvertently let the cat out of the bag at his Saturday night press conference.

For Gafny made it clear that the Bank of Israel and the Treasury

have no intention of using their official reserves to support the value of the Israeli pound against anything except accidental fluctuations of purposive speculation.

This means that the value of the pound, and therefore living standards and employment levels, will be allowed to slide down to wherever the "invisible hand of the market" will take them. This will no doubt be unimpeded by what the Government thinks may be going beyond the socially and politically feasible — but the margin of that has certainly been set much wider than before.

The expression used by Mr. Gafny to describe the meaning of this floating of the exchange rate is familiar. He said it had "depoliticized" the exchange rate. In the past, that used to be the highest accolade granted to that forerunner of the floating exchange rate, the creeping devaluation. Gafny also made it clear that the central bank, being no longer legally required to buy or sell foreign currency, would not interfere with normal market trends.

In other words, creeping devaluation will from now on be daily instead of monthly.

Thus the Government has in effect told the public: if our foreign policy runs the country into economic difficulties, then you, the people, will take the brunt "automatically."

through the impersonal play of the forces of supply and demand. The official reserves will from now on serve against a rainy political day. Foreign policy you may discuss with me in political terms — its economic consequences will, up to a fairly far-fetched point, be hidden from your daily view.

The "de-politicization" of the exchange rate is tantamount to a far-reaching de-politicization of national policy as a whole. It has drawn a veil over the causes of events and over their interrelations, which the man-in-the-street and possibly even many competent observers will not easily be able to tear away.

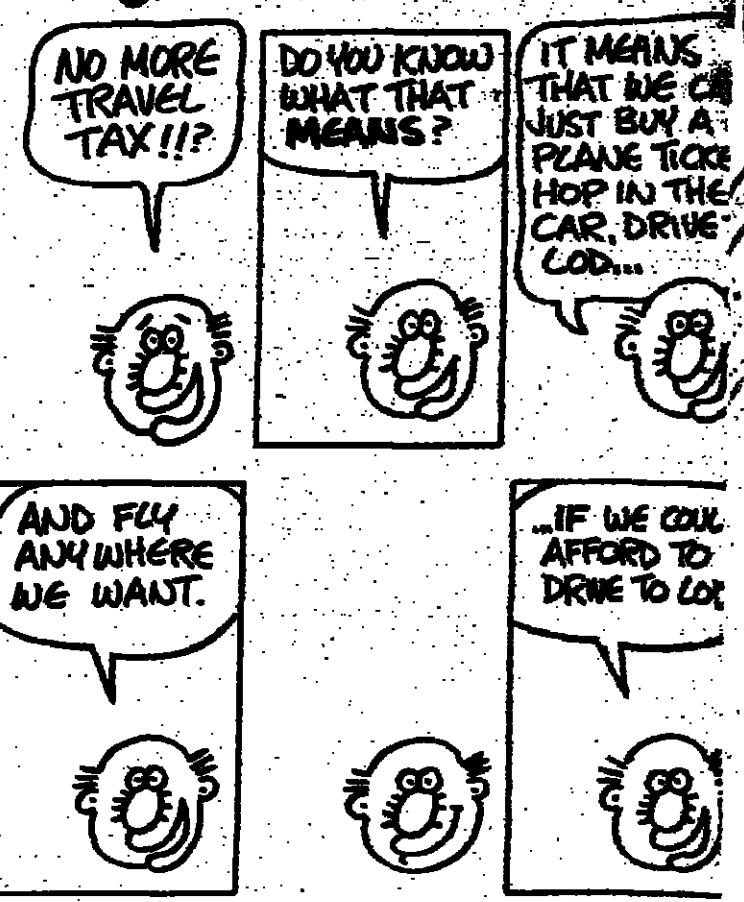
BUT THAT IS NOT the only tie-in between politics and economics that is now becoming discernible.

The press has reported that Mr. Ehrlich originally wanted to do away with the whole legal underpinning of currency control, and that it was only the Attorney-General Aharon Barak who persuaded him to retain some of it against an emergency.

Like many other people, but perhaps more than most, Israelis have always been great when it came to laying down life and limb for their country. As the \$5b. smuggled out indicates, however, they have been less than burning patriotic when their purse was at stake. Mr. Ehrlich's trust in our national character does him credit.

But he may have substituted a naive belief in human nature and in an abstract concept of capitalism for the former irrational system of controls.

Dry Bones



propertyed people, together with many of their dependents, will be afraid of a return of Labour to power. Hence the attempt to make the currency liberalisation irreversible.

Mr. Ehrlich has demonstrated an enviable degree of trust in the efficacy of the capitalist system and in the character of our people. He believes that many of those who, according to his estimate, smuggled no less than \$5b. abroad will now repatriate their black money. He also believes that many will rush to invest in Israel, ignoring the opportunities offered by Liechtenstein, Luxembourg and Switzerland.

Most of all, he believes that if only the forbidden fruit of foreign currency is made freely available, Israelis with cash will hold on to Israeli pounds and not take advantage of the legal opportunity of creating a nest egg for themselves in Geneva.

Like many other people, but perhaps more than most, Israelis have always been great when it came to laying down life and limb for their country. As the \$5b. smuggled out indicates, however, they have been less than burning patriotic when their purse was at stake. Mr. Ehrlich's trust in our national character does him credit. But he may have substituted a naive belief in human nature and in an abstract concept of capitalism for the former irrational system of controls.

A VERY HEAVY short-run burden has now been imposed by Mr. Ehrlich on this country, and the Finance Minister has done nothing

to distribute it even half equitably.

On the contrary, not only has given huge windfall prizes to who have, but some of his earlier measures have also emphasized the regressiveness of his po economy. The rather sanctimonious concern with "adequate" character the "really poor" which accords the policy and to which he is time to time admonished in past tones by the Prime Minister, nothing to mitigate its harsh consequences.

In the unlikely event that we be given sufficient freedom from external pressures, both political and economic, the transition to a rational capitalist regime has have had until now many dividends. The more unequal distribution of income and wealth it will create may be tolerable there is economic growth.

But the price for that will be wholly borne by the few people for whom the freedom \$3,000 and put them in a foreign has very little meaning, since they have ever seen the IL needed to buy them. It is a reason that Mr. Ehrlich will be exact that price from the people in a context of national emergency for the underlying realities society and economic structure not change on Friday afternoon.

So long as an emergency car proclaimed and be made visible, the fundamental for play in our society will re themselves. In the long run, if people are always stronger than governments.

READERS' LETTERS

THE HOUSE AT 23 MAMILLA ROAD

To the Editor of The Jerusalem Post
Sir, — Though I am not Jewish (I am German), I am deeply attached to Jerusalem. It has always been my joy to walk its streets and to find an emotional response in the older buildings which create a specific atmosphere.

One of these buildings, at 23 Mamilla Road, is unique and beautiful. It forms an exciting connection between the Old City and new Jerusalem.

To my great dismay and sorrow, I heard during my recent visit to

Jerusalem that Mamilla Road is going to be rebuilt and that the house at No. 23 is condemned to die. I know about the clashing projects for the Mamilla area, but whatever the decision, I hope this unique house will be spared. The building should be restored to its original beauty, cleaned and repaired, and the ironwork restored and painted.

I hope this letter will evoke a widespread echo in defence of this precious piece of unique architecture.

LISELOTTE ESCHENBACH
Wiesbaden, Germany.

PALESTINIAN RIGHTS

To the Editor of The Jerusalem Post
Sir, — In a letter which appeared on October 21, Issa Odeh repeats the call for the establishment of a Palestinian state in the West Bank and Gaza Strip, and adds that the Palestinians "are also human beings with human rights."

It is unfortunate that this was not recognized by the Palestinian Arabs themselves when they were offered their own state in 1947, or during the 19 years Jordan and Egypt ruled that territory. It seems that only Israel recognizes the humanity of the Palestinians under its jurisdiction by giving them greater economic and political benefits than they ever had. To turn the clock back now may well prove impossible.

Odeh's charge that Israel has "no material proof" of Biblical claims to the disputed territory conveniently ignores the ample archaeological and historical evidence of Jewish settlement, as recently as 1948, in all of the Land of Israel. Israel's rights in Judea, Samaria and the

MAX BAER

To the Editor of The Jerusalem Post
Sir, — I hope to be able to help to solve the mystery concerning Max Baer's appearance in an episode of "Love American Style."

Reader Rodney Franklin is right in stating that the actor couldn't have been former heavyweight champion because he died almost 20 years ago. Philip Gilton is equally right, in his answer, stating that the cast read Max Baer and the actor looked like him: he is his son.

Young Max Baer followed in his father's footsteps, failing in the boxing ring, but succeeding in films, and unlike his father, Max Baer Jr. became a respected featured actor.

Ramat Gan.

Gaza Strip are founded not only on the Bible and on historical-archaeological facts, but also on the Jewish blood shed on that soil by foreign invaders and alien residents throughout the ages.

Beersheba. MILTON J. KRAMER

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CARINA	3.11
NETANYA	3.11 Haifa/Ashdod
ALON	3.11 Haifa
TILIA	3.11 Haifa
SIGAL	4.11 Haifa
KINERET	5.11
DIAMOND	6.11 Haifa
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FROM THE EDITORIALS

MA'ARETZ (Independent) sees "boldness of conception and capacity for action" in the first stage of implementation as marking the economic policy outlined on Friday by Finance Minister Simcha Ehrlich. Furthermore, the secrecy maintained despite the involvement of dozens of civil servants in preparing the programme, "says much about the finance minister's authority and the loyalty of his aides. These are encouraging facts." Nothing that the new policy will not be easy to adapt to, the paper points out that "from this point of view importance attaches to the parliamentary majority to the Government now has in the Knesset. In retrospect, the co-opting of the DMC thus has a political significance which was not apparent last week."

MA'ARIV (Independent) notes that the content — as opposed to the timing — of the new economic policy "cannot be said to have come as a surprise, because it dovetails with the Likud's election platform and with that of the DMC as well." What has in fact happened is that "the government has relinquished a large part of its control over economic matters and transferred the decision to the public... It has lifted its guardianship from the economy, recognized its maturity and given it the possibility of moving by its own steam in the direction it desires. But at the same time it has also charged it with full responsibility for success or failure." Hence, "the test is not that of Ehrlich and his aides, but of the entire people of Israel." The paper takes — Histadrut Secretary-General Meshel to task for declaring war on the new economic policy without waiting to see whom it would hurt and how."

AL HAMISHMAR (Mapam) also thinks the new economic policy will bring about accelerated inflation, decrease the relative profitability of exports vis-a-vis local manufacture, "place in constant jeopardy all the country's foreign currency reserves," and cause unemployment.

HATZOFEH (National Religious Party) also takes note of the "boldness" of the new policy and feels that the abolition of foreign-currency controls "holds out a prospect for what is most needed: expanded production, high employment and increased exports." As abolition of currency controls will however "enrich the well-to-do and the wealthy, while price hikes at profiteering rates are likely to deal a hard blow to salaried workers, a reduction in income tax for wage-earners should be considered until the next cost-of-living increment."

DAVAR (Histadrut) however, takes a different view: "The new economic policy declared by the Government on Friday is certainly new in its basic conception: a liberal conception rooted in the 18th century." While welcoming certain of the new policy's specific reforms — such as the unification of the different rates of the pound — the paper expresses the wish "that these could have been carried out without throwing out the baby with the bathwater. The government's far-reaching steps should have been implemented after, not before, economic amelioration. For these steps do not make possible such amelioration. On the contrary: the accelerated inflation, the perpetual economic uncertainty we can now look forward to, the encouragement given to business deals as opposed to productive manufacture, the grave question marks hanging over most of the new policy's key points — all these indicate it to be the fruit of a gamble and not of calculation."

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